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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/815,434	03/22/2001	Philip D. Lapsley	8514-57 (STA-28)	8767

20575 7590 10/22/2002

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EXAMINER

HAYES, JOHN W

ART UNIT PAPER NUMBER

3621

DATE MAILED: 10/22/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/815,434

Applicant(s)

LAPSLEY ET AL.

Examiner

John W Hayes

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 05 August 2002.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-15 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-15 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☒ The proposed drawing correction filed on 14 May 2002 is: a) ☒ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 2,3,7.
- 4) ☒ Interview Summary (PTO-413) Paper No(s). _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

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DETAILED ACTION

Status of Claims

1. Applicant has canceled claims 16-25 in the preliminary amendment filed 14 May 2002, thus claims 1-15 remain pending. After the interview conducted on 06 June 2002 and the filing of the preliminary amendment on 14 May 2002 canceling claims 16-25, it appeared to the examiner that this application was in condition for allowance. However, in view of the most recently filed Information Disclosure Statement on 05 August 2002, examiner believes this application is not in condition for allowance based upon the references cited below.

Priority

2. An application in which the benefits of an earlier application are desired must contain a specific reference to the prior application(s) in the first sentence of the specification or in an application data sheet (37 CFR 1.78(a)(2) and (a)(5)).

Drawings

3. The proposed drawing correction and/or the proposed substitute sheets of drawings, filed on 14 May 2002 have been approved. A proper drawing correction or corrected drawings are required in reply to the Office action to avoid abandonment of the application. The correction to the drawings will not be held in abeyance.

Terminal Disclaimer

4. The terminal disclaimer filed on 14 May 2002 disclaiming the terminal portion of any patent granted on this application which would extend beyond the expiration date of U.S. Patent No. 6,269,348 B1 has been reviewed and is accepted. The terminal disclaimer has been recorded.

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Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1-15 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gatto, U.S. Patent No. 5,546,523 in view of Merjanian, U.S. Patent No. 6,028,950 and Colbert, U.S. Patent No. 5,485,510.

As per **Claims 1-15**, Gatto discloses a method for tokenless authorization of an electronic payment between a payor and a payee using an electronic third party identicator and at least one payor bid biometric sample, comprising the steps of :

- a payor registration step, wherein the payor registers with an electronic third party identicator at least one registration biometric sample and a PIN, and at least one payor financial account identifier (Col. 2, lines 55-60 and 63-66; Col. 3, lines 55-56; Col. 4, lines 5-11 and 48-52; Col. 5, lines 43-48; Col. 6, lines 1-11);
- a payor biometric sample collection step, wherein at least one payor bid biometric sample is obtained from the payor's person (Col. 6, lines 1-11);
- at least one transmission step, wherein the payor bid biometric sample is forwarded to the electronic identicator (Col. 6, lines 1-11; Col. 10, lines 1-8);
- a payor identification step, wherein the electronic identicator compares the payor bid biometric sample with the at least one registered biometric sample for producing either a successful or failed identification of the payor (Col. 6, lines 1-11; Col. 9 line 65-Col. 10 line 11);
- an identification response step, wherein upon successful identification of the payor, the electronic identicator electronically forwards at least one payor account identifier to the payee point of sale equipment (Col. 9, lines 10-18; Col. 8, lines 40-45);

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- a transaction execution step, wherein an electronic financial transaction is formed between the payor and the payee, comprising a transaction amount and a payor financial account identifier (Col. 3, lines 25-32; Col. 4, lines 5-10; Col. 5, lines 43-48; Col. 9, lines 5-18);

- selecting by the payor the type of financial account to be debited such as a credit or debit account (Col. 8, lines 50-55; Col. 9, lines 5-18);

- an approval step wherein the transaction amount is displayed to the payor and the payor indicates acceptance of the transaction (Col. 2, lines 25-33; Col. 3, lines 25-30; Col. 4, lines 40-46; Col. 6, lines 60-65);

- wherein upon successful identification of the payor and payee, a biometric based authorization of an electronic payment is given to transfer funds from the payor's account to a payee's financial account (Col. 9, lines 5-18; Col. 10, lines 1-8 and 36-46).

Gatto further discloses the identification of a payee (Col. 5, lines 43-48; Col. 9, lines 5-18; Col. 10, lines 36-46), however, fails to specifically disclose that the payee registers identification data with electronic identifier and further a payee identification step wherein the payee's bid identification data is compared with registered identification data. Colbert discloses a secure credit authorization and teaches the use of identification registration data for a payee (Col. 1, lines 55-60; Col. 2, lines 23-25) and comparing this data with the payee identification data to authorize the transaction (Col. 2, lines 40-45). It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Gatto and include a step of identifying the payee as well as the payor in order to simplify the billing process as suggested by Colbert.

Gatto further fails to explicitly disclose forwarding the financial transaction to a financial transaction processor for authorization. Merjanian discloses a biometrically controlled transaction and teaches forwarding the transaction to a financial transaction processor such as VISA or American Express for processing. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Gatto and forward the transaction to a financial transaction processor such as VISA or a bank in order to carry out the transaction as is commonly known in the financial community.

Conclusion

6. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- Bocinsky, Jr. discloses a secure electronic funds transfer method wherein voice prints of the customer are verified followed by an authorization by a remote transaction processor
- Checchio discloses a method and apparatus for preauthorizing credit card transactions wherein the customer's credit card number, vendor ID code and transaction amount are provided to a network authorization system for authorization
- Shkedy discloses a system and method wherein buyers and sellers are identified using biometrics and a central controller is used to process transactions
- Linehan discloses a four party credit/debit payment protocol wherein consumers are identified using biometrics and wherein a issuer gateway processes the transactions.

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7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to John Hayes whose telephone number is (703)306-5447. The examiner can normally be reached Monday through Friday from 5:30 to 3:00.

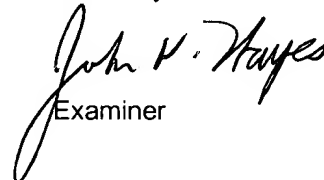
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jim Trammell, can be reached on (703) 305-9768.

The Fax phone number for the **UNOFFICIAL FAX** for the organization where this application or proceeding is assigned is (703) 746-5531 (for informal or draft communications, please label "PROPOSED" or "DRAFT").

The Fax phone number for the **OFFICIAL FAX** for the organization where this application or proceeding is assigned is (703) 305-7687 (for formal communications intended for entry including After-Final communications).

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

John Hayes



Examiner

16 October 2002